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This document discusses the implementation of TQM by Defense Depot Tracy. DDTC will focus TQM efforts on customer support, people, depot transition - facilities and programs, quality audits of products and operations, and assets management.

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- C. DEPOT TRANSITION, FACILITIES AND PROGRAMS
- D. FINANCIAL MANAGEMENT
- E. QUALITY AUDITS OF PRODUCTS AND OPERATIONS
- F. ASSETS MANAGEMENT

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DEFENSE DEPOT TRACY TOTAL QUALITY MANAGEMENT PLAN

Defense Depot Tracy (DDTC) exemplifies the principles and direction of Total Quality Management (TQM). We see no difference between TQM and proven management practices. TQM brings these proven concepts into an integrated plan.

We see an emphasis on coordination, and taking the broader view of a project. An involvement of all aspects of the depot in a broader perspective and how each relates to customer support.

Finally, we see an increased emphasis on the PROCESS rather than only focusing on the PRODUCT. The PROCESS must include a broader understanding of the motivations of the people involved in the process. An awareness of their motivation and concerns. People are the most important aspect of the process and must be treated as such. The process won't work unless the people are taken care of, and if the process doesn't work then the product won't be any good no matter how hard we try.

DDTC's successes can be tied in directly to the above philosophy. Earnings over expenses \$217,000 for FY87, \$812,000 for FY88 and \$3,522,000 YTD for FY89 are numerical indicators of our continuing growth in search of excellence. Other YTD indicators are impressive: Denial rate .36% (JAN .47%); Receiving effectiveness 99.94% (APR 100%); MILSTEP shipping effectiveness I's = 98.6%, II's = 98.5%; Combined Depot/transportation (21 Days) III's = 99.0%; and a Locator accuracy rate of 99.81%. Since 1986 DDTC's productivity has risen 26.7%.

Statistical indicators are important in that properly used they can tell you where you have been, where you are and where you're going. TQM is much more than statistics. It is a mindset, a philosophy, a way of doing business. DOING THE RIGHT THING THE RIGHT WAY. DDTC has focused our TQM effort into six (6) areas. As our understanding through training and experience grows these may expand but Customer Support will always be our central target. The Customer is the reason to be in business. Our commitment to People is well evidenced above and in the \$3,830,000 invested in worklife improvements throughout the Depot. As we look to the future Depot Transition, Facilities & Programs will take DDTC into the 21st Century through new procedures, processes and facilities. Financial Management with fiscal responsibility and accountability has become increasingly important and is a critical element in our TQM plans. Quality Audits of Products & Operations give us the ability to see if what we bought is what we ordered. We want to be in the position to eliminate spending resources to inspect in quality on purchased goods. In Operations we are working continuously on intra/inter organizational customer satisfaction. Finally to insure that we are taking care of the governments property we are emphasizing Assets Management so that the equipment needed to accomplish our responsibilities is accounted for, available, and operating. These six (6) areas: Customer Support, People, Depot Transition Facilities & Programs, Financial Management, Quality Audits Products & Operations, and Assets Management make up our commitment to TQM which permeates DDTC.

CUSTOMER SUPPORT

Depot elements have visited eighteen (18) customers since April 1989 to have a first hand view and exposure to those we serve. Customers visited:

- 1) NAS Alameda, CA.
- 2) Fort Ord, CA.
- 3) Travis AFB, CA.
- 4) Nellis AFB, NV.
- 5) Luke AFB, Las Vegas NV.
- 6) Williams AFB, Chandler, AZ.
- 7) Davis Mountain AFB, Tucson, AZ.
- 8) Fort Huachuca, Sierra Vista, AZ.
- 9) Air National Guard, Phoenix, AZ.
- 10) Toole Army Depot, UT.
- 11) Hill AFB, UT.
- 12) Defense Depot Ogden, Ogden, UT.
- 13) Fort Carson, Colorado Springs, CO.
- 14) Peterson AFB, Colorado Springs, CO.
- 15) Fitzsimmons Hospital, Aurora, CO.
- 16) Naval Supply, San Diego, CA.
- 17) North Island Air Station, CA.
- 18) Naval Hospital, San Diego, CA.

In keeping with the TQM philosophy DDTC views EVERYONE as being and having customers. Internally, mutual agreements (contracts) are being set up to define support levels. These definitions give within the parameters of scheduling, maintenance, and equipment capabilities, those items each "customer" feels are important.

We've had surveys conducted by an independent contractor to determine our training needs. Long range training can be initiated that will support what the customer needs.

One Directorate is testing a "Help Desk" which serves as a single point of entry to the organization. The customer has ONE phone number, ONE E-mail address, and ONE office to go to for help. The personnel on the "help desk" will be able to resolve most minor problems, but more importantly will know exactly who should receive the referrals for more complex problems. A single number will get all the help that is needed.

We will soon install two 750-KW generators which will insulate us from commercial power outages. This has been a major worry in our increasingly dependent ADP environment. This will also increase our support to the customer by permitting continuous operations.

We plan on initiating a Statistical Process Control (SPC) study in our Base Supply area as it affects the entire depot. Surveys of customer perceptions have already been completed there.

Classes on "Meet and Deal with the Public" and "Telephone Courtesy" are regularly taught as well as a "Working Friendly" handbook that is part of the Personnel training package.

We have had large groups of staff elements visit the USS Enterprise and Castle Air Force Base in Merced to see first hand close up the customers we support. In addition we've had different elements of the Services put on demonstrations for us on Armed Forces day at DDTC for an interchange of ideas and an appreciation of each's role in the Logistics system.

PEOPLE

People are the most important ingredient in DDTC's TQM efforts. DDTC has spent \$3,830,000 in Quality of Worklife improvements to upgrade and improve the work environment. In addition, by utilizing the DLA-HQ approved Self Help Program, employees have the opportunity to impact THEIR quality of worklife through repair and improvement of their immediate surroundings.

Training in areas such as Investment in Excellence provide our employees with initiatives that will benefit them in their work and personal life. Over 600 depot employees will have completed this motivational and personal esteem building course by the end of FY 89. In conjunction with OPM, a special pilot project was developed whereby Depot clerical workers and their supervisors were involved in separate training needs assessment sessions, and the results matched to identify specific training needs for each individual employee. We are bringing technical instructors to us rather than sending several people TDY to schools. This means we can "overfill" the classes with employees who can gain from the training rather than just sending those who absolutely need the training. Results include a better qualified, more informed workforce and no additional cost to the government. The side effect is better morale, since we have more backup for critical positions and additional opportunities for personal/professional growth.

Our Quality Circle program, with the emphasis on building the leaders of tomorrow, has increased from 4 in 1987 to 20 today. As a regular part of the QC training members are exposed to a 3-day course in communications to improve the interchange of ideas and concepts among circle members and line management. In addition, QC management presentations are regularly made up to and including Command and these sessions are video recorded both as a training aid to improve employee presentations and to export those ideas which could prove useful to other DoD activities.

Video taping has proven a great way to tell our story and also increase employee self confidence. The cam corder is taken on TDY to record the visit and to easily explain some of the complex mechanized systems being reviewed. Tapes are also used in contractual discussions with DLA procurement officials to explain various specification questions and problems.

Teambuilding is viewed as an opportunity at DDTC to create a work environment rich in the creativity for its employees. The efforts are expected to produce employee groups who are responsible for specific products/services. Team structuring will be accomplished in consideration of work processes, skill mix and work flow. The teams will have a sense of ownership toward their particular functions and will be equipped with the skills to plan and organize their work. Special emphasis will be on a team to focus on the specific needs of its internal and external customers, thereby enabling the product/service improvements necessary to best complete the mission at the lowest possible cost. Teambuilding will be a methodical change that reflects our long-term investment in the people who comprise Defense Depot Tracy.

In response to an employee Model Installation Program proposal DDTC has undertaken a project to build a third party financed Child Development Center. This is a prototype for DoD. Recent surveys indicate that child care concerns rank as the top concern in the United States. DDTC recognized that we are but a reflection of everyday life and that convenient child care would alleviate one of our employees biggest worries. The center being offered to Depot personnel will assist in easing their concerns regarding child care and as such contribute to the quality of our products.

To improve the availability and delivery of Employee Assistance Program services, a contract was awarded to provide professional, impartial assistance on, among other things, a 24-hour basis via hotline. This service offers trained counselors with a proven record in the Employee assistance field. In addition to the primary help given to the employee, services are also offered to the families.

We have initiated a comprehensive WELLNESS PROGRAM over and above our normal occupational health program. Approximately 500 employees participated in our blood pressure and blood testing part of the WELLNESS PROGRAM.

A Safety Representative program is conducted throughout all operations to provide additional safety expertise in identifying and eliminating potential hazards to personnel. Extensive Back Training programs have been conducted to reduce our most significant type of injury in this industrial environment. Ergonomic requirements and work site interface are reviewed to upgrade and enrich the work environment of DDTC employees. Safety Job Standards are being developed and reviewed to upgrade the quality and professionalism of entry level applicants into the Safety and Occupational Health career field at DDTC.

DDTC has an active role in encouraging its employees to not only stay fit but to also enrich their personal lives through recreation. A Depot "Sports Complex" with horseshoe pits, regulation softball diamond and adjacent picnic area offer structured activities in a family environment. Depot softball and bowling leagues, golf team and overnight excursion trips offer something for everyone.

Little things mean a lot and change machines are provided so that our employees can utilize the vending machines strategically placed in our break areas on weekends and non-prime shifts. In addition our concessionaire operates the cafeteria and lunch wagons on weekends to insure employee conveniences are equitably provided.

DEPOT TRANSITION FACILITIES AND PROGRAMS

DDTC has initiated Master Planning that will take it into the 21st Century. This program will use topographical studies, functional program projections, Agency input and Regional planning studies to develop a comprehensive plan. This plan is considered essential for not only the current mission but also expanded installation capability for the next generation. This effort has been initiated with a \$800,000 contract awarded to the Sacramento Office of the Corps of Engineers to assist DDTC in this Master planning effort. The input for this project is being generated by educational sessions and exposure to private and governmental operations by staff elements. "Lessons learned" and intense communication efforts are aiding this advance planning effort.

A Job Order Contracting (JOC) effort between Naval Communications Station Stockton and DDTC offers the participating installations a flexible and responsive contractual capability in the future. The initiative will relieve much of the repetitive installation contracting burden while easing the backlog of work orders. All this with substantial cost savings.

In the ADP environment a dedicated classroom is being created for formal, structured class work as well as Computer Assisted Training (individually paced). Our Information Center will make this facility available (outside of regularly scheduled classes) as a computer lab for all depot employees. A satellite office of the Information Center has been established in the Directorate of Distribution mezzanine office area to support office automation activities. By taking the support closer to the users the depot transition to the automated office will be facilitated.

Security has developed a comprehensive plan to install a Closed Circuit Television/KEY CARD SYSTEM. This system will improve the physical security posture by providing state of the art surveillance capabilities in Controlled/Restricted areas. This will insure better protection of Depot facilities and Government stock and equipment. Pass and identification processes are being automated to expedite information flow. Compensation costs are also being monitored to reduce Workers Compensation costs to the Depot by investigating all claims against DDTC.

New programs philosophies and concepts are being taught (DWASP, APCAPS, etc.) so as to create a smoother transition by understanding the purpose and procedures of the new processes. This has resulted in closer communication between key personnel involved in the transition. Laser Scan Terminals and high-rise retrieving equipment are examples of equipment that will modernize and expedite our present processes without interruption or loss of productivity to depot personnel.

In the Modernization/Mechanization area DDTC has initiated projects totaling nearly \$12,000,000 since FY 1986 to improve the efficiency and effectiveness of the Depot. Recent improvements in Warehouse 13 have increased by 50% our response capability to the customer. Linking of the "central hub" of our Operations area has recently been completed which will dramatically improve the efficiency and significantly reduce the need for intersystem support by transporters. Intense planning and communication between Operations, Management and Maintenance precede and continue through our Modernization/Mechanization projects and insure the viability of these projects which have contributed greatly to our 26.7% increase in productivity since FY 1986.

FINANCIAL MANAGEMENT

DDTC budgets by unit cost. This allows us a greater degree of flexibility and visibility in our financial management. Cost trends are monitored to insure maximum productivity and efficiency are being achieved. Unit cost and standards in tandem provide the means to determine the optimum "cost per unit". This makes the workcenter supervisor aware of their responsibilities in achieving maximum cost savings.

DDTC has implemented Operating Targets (OPTARS) that delegates to lower levels for decision making the accountability and responsibility for fiscal decisions for both supplies and personnel. This gives them the flexibility and motivation in effecting better planning and "TO DO THE RIGHT THING AT THE RIGHT TIME". Overtime has also been reduced through the use of part time and stay-in-school personnel.

Time off due to work related injuries has been reduced due to a concentrated effort by all elements of our staff. The medical staff has become a much more active participant in this area. Preplacement exams are given to insure that people are not improperly placed which could lead to a safety problem or incident. In planning for method improvements ergonomics are addressed and medical input is sought. More training, both in the physical and the environmental elements, is being given and the Safety Office is kept in the communications loop by Command and every staff element. In recognition of our leadership in this area we have also expanded our capabilities to hire the handicapped.

DDTC has one of the most successful MIP/Suggestion programs within DLA. To insure that the awards are fair to both the employee and the government our Internal Review Office audits the approved ideas. They also offer Financial Management Assistance to the Nonappropriated Fund Program.

QUALITY AUDITS OF PRODUCTS AND OPERATIONS

DDTC is working towards the elimination of "Inspecting in Quality" by using an orientation of intra/inter organizational customer satisfaction. Customer surveys have been accomplished and are guiding our efforts to improve in these areas. That is our long range ultimate goal under TQM. Until we reach that goal we are improving work methods and reducing rework in all our operations. Method studies are on-going in all aspects of Depot operations and product audits will verify that what we get is what we paid for.

Inspectors are focusing on telling what the error was and how in can be eliminated versus the old detection system that did not identify solutions, just problems. Training is accomplished at the same time in this area to instill the new philosophy and give greater skills to our Quality personnel. Equipment is calibrated so that the most accurate methods and outcomes are used to insure program accuracy.

ASSETS MANAGEMENT

The responsibility and accountability of each government employee has to be prevalent in assets management. By instilling an awareness of their role as a taxpayer and a user of the governments equipment and material DDTC has been able to achieve an enviable record in this area.

Our Command Security office has instituted a Government Property Loss or Damage (GLPD) program that has now been exported to all DLA PLFAs. To date that program has recovered an estimated \$3,700,000. They have also been instrumental in developing a regulation that permits the use of Lap Top Computers by Depot personnel for official use at home. Terminal Area Security Representative monitor automated data processing equipment to ensure that ADP security is achieved at all times. Computer program access is monitored by the Automated Data Processing Facility Representative.

Automated inventory management systems are being used to track equipment on the depot. This helps us to quickly identify equipment and to also to earmark equipment that can be dropped from maintenance contracts or shifted to cheaper maintenance programs. Audits of hand receipts have also been increased to insure that the equipment needed to accomplish our responsibilities is accounted for, available and operating.